

REPORT TO: Policy and Performance Review Committee

MEETING DATE: 24 September 2013

BY: Depute Chief Executive, Partnerships and Services for Communities

SUBJECT: East Lothian Community Planning Economic Development Strategy

1 PURPOSE

- 1.1 To provide report to PPRC on progress towards meeting the outcomes of the East Lothian Community Planning Economic Development Strategy

2 RECOMMENDATIONS

- 2.1 To note the contents of this report

3 BACKGROUND

- 3.1 The revised East Lothian Economic Development Strategy was led by East Lothian Council in conjunction with Community Planning partners and was developed by the Training and Employment Research Unit at the University of Glasgow in 2012. This strategy and accompanying documents provide strategic direction for all Community Planning partners involved in economic development interventions. Business engagement, Community Planning partner feedback and research and baseline information were integral to this process providing a strategy 'fit for purpose' and the strategic framework for partner projects. The Improvement Service through its Economic Outcomes Programme provided valuable support to the Council, partners and Economic Development staff in developing the monitoring framework and Implementation Plans.
- 3.2 The Strategy highlights the economic opportunities that the Council and Community Planning partners can exploit in order to drive growth in jobs and business development and stimulate local economic recovery.

- 3.3 The vision is: 'in 2020 East Lothian will have a dynamic and flourishing economy with our citizens proud to live, learn, work and play in East Lothian'. To achieve this vision, two strategic goals have been set, namely to increase the number of businesses with growth potential and to increase the proportion of residents working in and contributing to East Lothian's economy. The five strategic objectives that enable delivery of the two strategic goals are:
- To be the best place in Scotland to set up and grow a business
 - To be Scotland's leading coastal, leisure and food & drink destination
 - To build on our proximity to Edinburgh to encourage study, work and spend in East Lothian
 - To provide high quality employment pathways for East Lothian's workforce
 - To become Scotland's most sustainable local economy
- 3.4 Eight 'Strategic Projects' were highlighted and subsequently 7 Implementation Plans were developed – these being Tourism (incorporating Food & Drink), Renewables, Profile, Connectivity, Business Infrastructure, Town Centres and Employability. These Plans are subject to ongoing industry feedback and input.
- 3.5 The one-council approach to economic development to enable and support delivery of the strategy has been evidenced by a number of companies complimenting the Council on its support. A notable recent success is the Tourism and Hospitality Academy model, pioneered in East Lothian and since rolled out to south east Scotland and to other sectors, linking the employability of young people with the strong Food & Drink/tourism sector. The Open golf 2013, projected economic impact of £70m to East Lothian and Edinburgh, brought benefits to local businesses and to the profile and awareness of the county. The all-council approach has been commended and contributed to a well-executed event.
- 3.6 Leading and driving forward the implementation of the strategy is the recently-formed Community Planning Sustainable Economy Partnership and the chair and vice-chair are both from outwith the Council, Scottish Enterprise and the Federation of Small Businesses respectively, demonstrating the commitment to this approach from the wider partnership.
- 3.7 In order to provide a baseline and monitoring framework for progress on the strategy to Community Planning partners and the PPRC, it is proposed to use the following measures to map overall progress, as outlined in the strategy action plan – namely jobs, businesses and employment rate.

Jobs

Measure - number of jobs per 10,000 adults

East Lothian 2010 – 3199 (since revised)

Target – to increase the number of jobs

East Lothian 2011 – 3151

Businesses

Measure – number of businesses per 10,000 adults

East Lothian 2010 – 341 (since revised)

Target – to increase the number of businesses

East Lothian 2011 – 333

The adult population for East Lothian has increased from 78,700 to 81,200 between 2010 and 2011

Employment rate

Measure – employment rate

East Lothian 2011 – 73%

Scotland 2011 – 71%

Target – to maintain and increase the gap between the East Lothian and Scotland figures

East Lothian 2013 74.2%, Scotland 2013 70.7%

- 3.8 In addition, a range of indicators to gauge progress under each of the five strategic objectives is outlined below and these will be refined and considered by members of the Sustainable Economy Partnership in order to establish the Key Performance Indicators.
- 3.9 This report also provides a more detailed report on the development, implementation, progress and future priorities for the Food & Drink Initiative and on East Lothian Works, the flagship initiative of the Employability Implementation Plan/Strategic Objective 4.

Strategic Objective 1 - To be the best place in Scotland to set up and grow a business

Number of business start-ups delivered through Business Gateway

2011/12 actual	88
2012/13 actual	131
2013/14 target	200

Survivability of businesses delivered through Business Gateway

Definition – start-ups measured at 18 months after business start

2011/12 actual	85%
2012/13 actual	80%
2013/14 target	80%

Business survivability remains relatively high and steady and business start-up numbers have been increasing since 2011/12

Availability of employment land

Definition - ongoing measurement of immediately available, minor and major constrained

2012/13 actual	
Available	1 hectare
Minor	9 hectares
Major	90.43 hectares
2013/14 target	
Available	3 hectares
Minor	12 hectares
Major	85.42 hectares

The availability of employment land remains an issue and options are explored on ongoing basis

Procurement

Definition - number of businesses engaging in procurement initiatives

Number of businesses joining Supplier Development Programme

2012/13 actual	43
2013/14 target	48

Number of businesses provided with one-to-one engagement/support

2012/13 actual	20
2013/14 target	25

Through support for procurement an increase in the number of businesses engaged has been seen and is projected.

Objective 2 - To be Scotland's leading coastal, leisure and food & drink destination

Scottish Tourism Economic Activity Monitor information

Number of tourist beds

2011 - 2269 beds in 141 establishments serviced, 5349 in 131 establishments non-serviced

2012 – 2036 beds in 118 establishments serviced, 5323 in 103 establishments non-serviced

2013 target – to maintain the number of bedspaces in East Lothian

Number of tourist days

2011 actual 2,497,000

2012 actual 2,399,000

2013 target 2,400,000

Number of tourists

2011 actual 1,394,000

2012 actual 1,362,000

2013 target 1,400,000

2013 figures will reflect the substantial number of Open-related visitors to East Lothian

Food & Drink measures

Number of businesses participating in Food & Drink competition

2011 actual 51

2012 actual 51

2013 target 52

Number of Food & Drink businesses engaging via participation in exhibitions/shows

Royal Highland Show, ScotHot, BBC Good Food Show

2011 actual 14

2012 actual 10

2013 target 16

The number of food and drink businesses engaged remains steady, see Appendix 2, East Lothian Food and Drink Initiative

Website visitor statistics

Definition - number of unique visitors to following websites

Food & Drink East Lothian (www.foodanddrinkeastlothian.co.uk)

2011 actual 15,887

2012 actual 24,739

2013 target 30,000

Visit East Lothian (www.visiteastlothian.org)

2011 actual 42,615

2012 actual 126,615

2013 target 130,000

Golf East Lothian (www.golfeastlothian.com)

2011 actual 54,503

2012 actual 73,072

2013 target 100,000

Growth in unique visitors to websites is noted with golf naturally seeing substantial increase to date

Objective 3 - To build on our proximity to Edinburgh to encourage study, work and spend in East Lothian

Retail initiatives

Number of retailers participating in Christmas Shop Local

2011 actual 126

2012 actual 134

2013 target 135

Number of participants in Christmas Shop Local

2011 actual 7,654

2012 actual 7,012

2013 target 7,500

Shop Doctor Participants (new initiative 2013)

2012/13 actual 16

2013/14 target 18

Greater awareness of Christmas Shop Local is highlighted and the new initiative, Shop Doctor, is attractive to retailers

Objective 4 - To provide high quality employment pathways for East Lothian's workforce

Numbers participating in National Training programmes

2011/12 actual 655

2012/13 actual 679

2013/14 target 705

Employer Recruitment Incentive (YES)

New initiative 2013

2013 target – 74 young people aged 16-24, unemployed 6 months or less, 6 month paid work placement with local small business

School leaver destinations

School Leaver destination returns and follow up exercises are conducted in September and March of each year. The table indicates the percentage of school leavers in positive destinations (education, employment, training).

	East Lothian		Scotland	
	Initial (%)	Follow up (%)	Initial (%)	Follow up (%)
2010/11	86.8	86.4	88.9	87.2
2011/12	88.1	88.9	89.9	89.5
2012/13 target	88.9	90.1		

Further commentary is found under Appendix 1, East Lothian Works

Objective 5 - To become Scotland's most sustainable local economy

Renewables

Number of businesses engaging in renewable initiatives

Number of businesses provided with intensive support

2012/13 actual 6

2013/14 target 7

Number of businesses provided with energy audits and ongoing guidance

2012/13 actual 12

2013/14 target 8

Growing interest in this emerging sector

Town centre vacancy rates

Definition - number of vacant units

2011 actual 41

2012 actual 37

2013 target 35

Town centre pedestrian footfall

Definition - average for all 6 towns, measured end November

2011 actual 26060

2012 actual 25400

2013 target 25700

The retail environment remains challenging but fall in number of town centre vacant units is welcomed

- 3.10 In conclusion, economic activity in East Lothian remains challenging with the Council and Community Planning partners endorsing the one-partnership approach to business and enterprise support. The Sustainable Economy Partnership will take the strategic role in setting the Key Performance Indicators required to effectively monitor economic performance.
- 3.11 The Youth Employment Scotland initiative is proving popular in East Lothian with the lack of work experience often cited as a barrier for young people securing employment and additional council support has enabled a lower contribution from businesses. Business representative organisations have highlighted the need to provide premises for local micro-businesses in East Lothian, currently under consideration by the Council.

4 POLICY IMPLICATIONS

- 4.1 Delivery of East Lothian Community Planning Economic Development Strategy

5 EQUALITIES IMPACT ASSESSMENT

- 5.1 This report is not applicable to the wellbeing of equalities group and an Equality Impact Assessment is not required.

6 RESOURCE IMPLICATIONS

- 6.1 Financial – as outlined
- 6.2 Personnel - none additional
- 6.3 Other - none

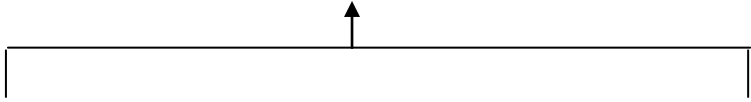
7 BACKGROUND PAPERS

- 7.1 East Lothian Community Planning Economic Development Strategy 2012-22
http://www.eastlothian.gov.uk/downloads/download/1831/east_lothian_economic_development_strategy_2012_-2022
- 7.2 Appendix 1 - East Lothian Community Planning Economic Development Strategy 2012-22 – Strategic Framework
- 7.3 Appendix 2 – East Lothian Works
- 7.4 Appendix 3 – East Lothian Food & Drink Initiative

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DATE	11 September 2013

EAST LoTHIAN ECONOMIC DEVELOPMENT STRATEGIC FRAMEWORK

Vision
In 2020 East Lothian will have a dynamic and flourishing economy with our citizens proud to live, learn, work and play in East Lothian.



Strategic Goal 1
To increase the number of businesses in East Lothian with growth potential.

Strategic Goal 2
To increase the proportion of East Lothian residents working in and contributing to East Lothian's economy.



Strategic Objective 1
To be the best place in Scotland to set up and grow a business.

Strategic Objective 2
To be Scotland's leading coastal, leisure and food & drink destination.

Strategic Objective 3
To build on our proximity to Edinburgh to encourage study, work and spend in East Lothian.

Strategic Objective 4
To provide high quality employment pathways for East Lothian's workforce.

Strategic Objective 5
To become Scotland's most sustainable local economy.

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Appendix 2 - East Lothian Works

Background and partners. East Lothian Works (ELWorks) was officially launched and opened for business on 15 April 2013 bringing together all employability-related services within East Lothian Council, namely East Lothian Skill Centre (previously Services for People), Guideline (Support Services) and ELVOS (Services for People) co-locating with the Adult Learning service. External partners are also delivering services from 9-11 Lodge Street, Haddington. Job Centre Plus provide an employer engagement adviser weekly and a Disability Employment Adviser fortnightly and a Skills Development Scotland careers advisor can be accessed half day per week. Queen Margaret University, The Edinburgh College, Social Enterprise in East Lothian, MiEnterprise, Cornerstone and Community Care Forum have also desk space in the building. Business Gateway has also now moved to this improved shop front location where new and existing businesses can better access help with business start-up advice, business plans, finance, premises and recruiting staff and apprentices and a Business Growth Officer is available for existing businesses seeking support and advice. ELWorks is open Monday to Thursday 9.00am – 5.00pm and Friday between 9.00am and 4.00pm

Support. ELWorks provides all kinds of support for individuals such as:

- How to find and keep a job
- Creating high impact CV's and job applications
- Improving interview techniques
- Developing new skills
- Training and development opportunities, boosting self confidence,
- Becoming self-employed
- Disability advice and support into employment

Partnership development. The co-location has allowed for greater sharing of information and synergy with the objective of getting more East Lothian residents into work, providing support and guidance to businesses to enable them to take on more staff and providing skills development support for those in work wishing to progress. There has been a greater awareness and knowledge of the different agency support services and thus a better and more joined-up service to clients avoiding duplication and overlap.

Employability. A review of the Employability Implementation Plan (East Lothian Community Planning Economic Development Strategy), led by Skills Development Scotland, has clarified purpose of strategic planning groups and has reported on progress against set outcomes. In order to promote the service to schools, the meeting of secondary head teachers on 24th October will also consider the strategic direction for MCMC/Opportunities for All cohorts. East Lothian Council is the largest employer in East Lothian and individual meetings with Service managers from Children's Services, Customer Services and Housing are also planned to explore how modern apprentice schemes and work placements might possibly be delivered better by the Council. Regular engagement with local business also continues formally with Chamber of Commerce and Federation of Small Businesses. ELWorks is currently

promoting guaranteed work placements for all looked after and accommodated young people who have left or are about to leave school and officers from Children's Services and ELWorks have been exploring how achievement of this can be maximised. The recent introduction of Community Benefits in Procurement has also increased the volume of opportunities available to young people to enable them to gain valuable on-the-job skills development and experience. The current employer offer is being reviewed to further encourage take-up and with the emergence of the Community Planning Sustainable Economy Partnership links with local business will be further strengthened.

Marketing and communications. There has been an improved profile for the Council and its partners in addressing the current economic climate through utilising a range of media. ELWorks is located on the main council website and provides direct access to information and guidance to job seekers and business alike. ELWorks services are regularly promoted via the local press, on bus shelters, inside local buses and the Living East Lothian newspaper. There is also good evidence of word of mouth recommendations and referrals.

The **Employer Recruitment Incentive** is a Scottish Government initiative, using Scottish Government funding and European Social Fund monies to provide a 50% wage subsidy for six months to local small and medium-sized enterprises for them to take on a 16-24 year old unemployed for less than 6 months. East Lothian Council has provided additional support to increase this subsidy to 67% and potentially 74 young people will benefit from this scheme.

Information Communication Technology (ICT) is nowadays crucially important to securing employment and/or making benefit claims. ICT Skills for Work courses, in partnership with Job Centre Plus and the Council's Adult Literacies Team, have to date engaged 80 learners in tutorial sessions to equip participants with the necessary computer skills to effectively compete for jobs in the labour market. The programme is continuing to March 2014 with courses operating in Haddington, Musselburgh, Tranent and Prestonpans. Additional employability courses were this year introduced to the adult learning programme and delivered free of charge. IT access within ELWorks is proving popular and is expected to increase with more online benefit claims.

Conclusion. Measuring the impact of the East Lothian Works services is ongoing. For example, since its opening Council Guidance Service staff have experienced a fourfold increase in initial referral demand compared to the corresponding period last year and staff working priorities have been aligned to cope with this increase in demand. East Lothian unemployment continues to remain below the national level of 7.2% and in September 2012 the percentage of school leavers sustaining a positive destination was 88.9%. Despite this being marginally below the national average, the number of school leavers from East Lothian who were in positive destinations in March 2013 was a 2.5% increase on the corresponding period for the previous year.

Colin Forbes
Principal Officer, Employability/Manager East Lothian Works

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Appendix 3 - East Lothian Food and Drink Initiative

Progress report on the East Lothian Food & Drink Initiative that started in 2006.
Current budget allocated - £47,000.

Aim

The aim is to develop East Lothian Food & Drink into the leading county for food and drink in Scotland and to be recognised by visitors and residents alike for the high quality food and drink produce available in hospitality and tourism outlets, shops and farmers' markets.

Objectives

- To engage with East Lothian hospitality and tourism outlets and food and drink producers/manufacturers through establishing two industry steering groups (Hospitality and Food & Drink producers)
- To ensure that the initiative is founded on a bottom-up principle – ie. listening to the needs of the industry sectors
- To develop East Lothian food and drink brand image by the use of a Food & Drink logo identifying the key essentials of food and drink from the area
- To educate local hotels and restaurants about the availability and benefits of using local food and drink products
- To develop an annual food and drink competition to incorporate both the hospitality industry and its suppliers and producers to encourage best practice in the use of local produce
- To develop a range of marketing materials and to raise brand awareness in Scotland and the UK

Economic Development Strategy 2013

The initiative links directly into the Economic Development strategy Objective 2 of being 'Scotland's leading coastal, leisure and food and drink destination'.

A commitment was made at the commencement of the initiative from the council that this would be a long term project and has resulted in good business engagement. The initiative is regularly reviewed as to what is working or not, what economic benefits are forthcoming and what is else is needed or should be dropped.

Highlights

Of particular note:

- Companies now supplying supermarkets/major retailers through presence at various shows such as BBC Good Food Show and Scotthot (Note subjective view from major buyers that they were attracted to the large prominent well-branded stand)
 - Cider company supplying major supermarket groups such as Tesco, Sainsbury and Morrison
 - Rapeseed oil company supplying Harvey Nichols
 - Smoked trout company supplying Campbell's meat suppliers and distributed throughout Scotland
 - Preserve company supplying John Lewis with range of gift items

- A start up cider company now employing 10 employees and exporting worldwide. In 2013 voted the 3rd best cider in the world at the Chicago Cider convention 2013
- A start up chocolate manufacturer now employing 19 employees and moved during 2011 to a large manufacturing unit in Haddington.
- A dairy farm now providing direct deliveries of milk to the doorstep – 17 employees.

Statistics	2006	2012/13
<i>Number of companies engaging in initiative</i>		
Food and drink producers	19	46
Hospitality - eating out/competition	19	43
Eat East Lothian Promotion	0	18
Attendees at food and drinks awards dinner	59	157
Number of companies exporting	5	12
<i>Financial assistance</i>		
Food and drink/hospitality - direct aid loans and grants	0	52
Funds awarded	0	£442,699
Matched by private sector	0	£1,962,037
Jobs created	0	70
Jobs protected	0	179
<i>Exhibitions</i>		
Number of shows - cumulative since start from zero	0	29
Number of companies attending	0	78
F&D directories taken from the stand	0	140 boxes
Average levels of sales achieved – per show (note trade shows)	0	£11,000
Scottish Enterprise account-managed food & drink companies	0	2

Quotes

Richard Lochhead MSP – Cabinet Secretary for Rural Affairs and the Environment:

“I have been delighted with the success of East Lothian’s food and drink and have been hugely impressed by the dedication and quality from all involved.”
“With great support from the council East Lothian food and drink industry will continue to grow.”

The Scottish Government holds the initiative in high esteem and as an exemplar for others to duplicate.

Viv Collie, Director, Fife Food Network:

“The work carried out through East Lothian Council food and drink activities is always very impressive and innovative. It provides a genuine focus for food and drink businesses, and puts them firmly in the national spotlight.”

Wendy Barrie, Director of Scottish Food Guide and member of the Cross Party Parliamentary Food Group:

“ELC have been doing an exceptional job with food and drink for a considerable number of years and keep improving year on year and it is tangible the difference they make to local food producers and places to eat.”

Richard Baty
Depute Manager, Economic Development

Logo and picture



